

Vol. 5, No. 43

JACK H. BRIER Secretary of State

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October 23, 1986

#### **LEGISLATURE**

#### **INTERIM AGENDA**

The following committee meetings have been scheduled during the period of October 27 through November 7, 1986:

Date Oct. 27 Oct. 28	Room 123-S 123-S	Time 10:00 a.m. 9:00 a.m.	Committee Special Committee on Financing of Regents' Institutions	Agenda 27th: Hearings on specific questions referred to universities for response. 28th: Committee discussion and directions to staff.
Oct. 27 Oct. 28	Shawnee Mission School District Board Building, 7235 Antioch, Shawnee Mission	10:00 a.m. 9:00 a.m.	Subcommittee on Radon—Special Committee on Energy and Natural Resources	Briefings by KDHE and EPA and public hearing.
Oct. 29	123-S	10:00 a.m.	Legislative Post Audit Committee	Legislative matters.
Nov. 5	220-S	2:00 p.m.	State Task Force on Parimutuel	Task force discussion and final action.
Nov. 6 Nov. 7	514-S 514-S	10:00 a.m. 9:00 a.m.	Special Committee on Judiciary	Agenda to be determined.
Nov. 6 Nov. 7	519-S 519-S	10:00 a.m. 9:00 a.m.	Special Committee on Transportation	Agenda to be determined.

WILLIAM R. BACHMAN
Director of Legislative
Administrative Services

Doc. No. 004687

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PUBLISHED BY JACK H. BRIER Secretary of State State Capitol Topeka, KS 66612



PHONE: 913/296-3489

## STATE HISTORICAL SOCIETY STATE RECORDS BOARD

#### NOTICE OF MEETING

The State Records Board will meet at 10 a.m. Thursday, October 30, in the conference room on the fourth floor of the Memorial Building, 120 W. 10th, Topeka. The board will consider requests from state agencies submitting proposals for disposition of noncurrent government records.

In addition, general administrative matters and

other business will be discussed.

EUGENE D. DECKER State Archivist

Secretary, State Records Board

Doc. No. 004678

## State of Kansas KANSAS ACTION FOR CHILDREN

#### NOTICE OF CONFERENCE ON ADOLESCENT PREGNANCY

Kansas Action for Children, Inc., along with other interested organizations and agencies, is sponsoring a two day conference devoted to the development of a comprehensive state plan concerning the issue of adolescent pregnancy. The conference is being held at the Downtown Holiday Inn in Topeka on November 17 and 18. Due to the structure of the conference, registrations will be limited. For information call KAC at (913) 232-0550.

RODNEY J. BIEKER Director of Legal Services Kansas State Department of Education

Doc. No. 004683

#### State of Kansas

#### ATTORNEY GENERAL

**Opinion No. 86-145** 

Laws, Journals and Public Information—Records Open to the Public—Records Subject to Disclosure.

Public Health—Uniform Vital Statistics Act—Disclosure of Records. William L. Edds, General Counsel, Department of Revenue, October 9, 1986.

The Uniform Vital Statistics Act neither prohibits nor authorizes the transfer of certain data by the office of vital statistics to the Department of Revenue. The Secretary of the Department of Health and Environment may promulgate regulations, subject to the provisions of the act, authorizing release of such information. Cited herein: K.S.A. 65-2401 et seq., 65-2402, 65-2422. JLM

**Opinion No. 86-146** 

Cities of the Third Class—Election, Appointment and

Removal of Officers—Election of Officers; Terms; Vacancies. Morgan Metcalf, Butler County Attorney, El Dorado, October 9, 1986.

Where there is a vacancy in the city council of a city of the third class, the mayor, by and with the advice and consent of the remaining council members, must appoint an *elector* to fill the vacancy until the next election for the office (K.S.A. 15-201). An "elector" is a person having the constitutional qualifications of an elector and who is registered to vote. The appointment of a person who is not registered to vote is void under the provisions of K.S.A. 15-201. Cited herein: K.S.A. 15-201. TRH

#### Opinion No. 86-147

Taxation—Collection and Cancellation of Taxes—Claims Allowed; Personal Property Tax on Motor Vehicles. Nanette L. Kemmerly-Weber, Allen County Attorney, Iola, October 10, 1986.

When the owner of an automobile transfers its title and does not obtain a replacement vehicle, if the motor vehicle tax has been paid the owner is entitled to a refund of the unused portion of taxes. Such refund is not to be considered a claim against the county for purposes of offsetting other delinquent personal property taxes. Cited herein: K.S.A. 1985 Supp. 8-173; K.S.A. 12-105a; 79-2010; K.S.A. 79-5101 et seq.; 79-5107, 79-5115; K.A.R. 92-55-3. JLM

#### Opinion No. 86-148

Automobiles and Other Vehicles—Driving Under the Influence of Alcohol or Drugs; Related Provisions—Search Warrants; Use in Municipal Courts. Keith D. Hoffman, Dickinson County Attorney, Abilene, October 10, 1986.

A search warrant may be issued by a district magistrate judge upon the sworn oral or written statement of a city attorney. Municipal law enforcement officers may execute such warrant, and property seized pursuant to the warrant may be admissible as evidence in a municipal court. However, a search warrant may not be used to obtain a blood sample from a person who has refused to submit to a blood, breath or urine test. An ordinance authorizing such procedure would be in conflict with the state statute prohibiting further testing after an informed refusal. Cited herein: K.S.A. 1985 Supp. 8-1001, as amended by L. 1986, ch. 40, § 2; K.S.A. 1985 Supp. 8-1005, as amended by L. 1986, ch. 41, § 1; K.S.A. 1985 Supp. 8-1567(m); K.S.A. 12-4504, K.S.A. 1985 Supp. 22-2202, as amended by L. 1986, ch. 133, § 1; K.S.A. 22-2502; 22-2503; 22-2507; L. 1986, ch. 40, § 1. JLM

> ROBERT T. STEPHAN Attorney General

#### SOCIAL AND REHABILITATION SERVICES DIVISION OF SERVICES FOR THE BLIND **ADVISORY COMMITTEE**

#### NOTICE OF MEETING

The Division of Services for the Blind Advisory Committee will meet at 10 a.m. Friday, November 7, in the Rehabilitation Center for the Blind conference room, 2516 W. 6th, Topeka.

> RICHARD A. SCHUTZ Director, Division of Services for the Blind

Doc. No. 004691

#### State of Kansas FISH AND GAME COMMISSION

#### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be held at 6:30 p.m. Monday, November 24, in the Chaparrel Inn Motel, 102 N. Main, Scott City, to consider the adoption and amendment of permanent and statutorily exempt regulations of the commission.

All interested parties may submit written comments prior to the hearing to the director of the Kansas Fish and Game Commission, Route 2, Box 54A, Pratt 67124. All interested parties will be given a reasonable opportunity at the hearing to express their views orally in regard to the adoption of the proposed regulations. Following the hearing, all written and oral comments submitted by interested parties will be considered by the commission as a basis for making any changes to the proposed regulations and amendments.

The following is a brief summary of the proposed

regulations and amendments:

K.A.R. 23-1-10. Turkey, season restrictions. This amendment will impose restrictions while hunting turkey and upon the donation and possession of turkey

K.A.R. 23-1-12. Turkey; spring open season; bag limit, and permits. This exempt regulation will establish new turkey hunting seasons and units, bag limits to be in effect between November 30, 1986 and October 30, 1987.

K.A.R. 23-2-1. Squirrels, open season; bag limit. The existing provisions of this regulation are being re-

K.A.R. 23-2-3. Rabbits; open season; bag limits. The existing provisions of this regulation are being revoked.

K.A.R. 23-2-14. Antelope and deer; season restrictions. This amendment will require possession of carcass tag and impose new restrictions on its use. New requirements for reporting kills and applying for permits will be included in the amendment.

K.A.R. 23-2-15. Elk, season restrictions. Changes are being made to hunting equipment authorized, use of carcass tags and director's authority regarding issuance of permits to hunt elk.

K.A.R. 23-2-17. Big game; possession of a salvaged carcass. New regulations authorize certain possession with limitations concerning a salvaged big game car-

K.A.R. 23-3-13. Taking of bait fish or minnows. This amendment re-defines the manner in which bait fish or minnows may be taken.

K.A.R. 23-6-4. Striped skunk; open season. The existing provisions of this regulation are being revoked.

K.A.R. 23-6-6. Furbearers; season restrictions. This amendment authorizes use of archery equipment and re-defines limitations upon possession and tagging of furbearer carcasses.

K.A.R. 23-8-11. Wildlife areas; use restrictions. This amendment broadens the director's authority regarding the use, construction and type of blinds in wildlife

K.A.R. 23-8-34. Wildlife areas; steel shot. This amendment imposes restrictions on certain wildlife areas requiring use of steel shot.

K.A.R. 23-12-11. Furbearing animals and coyotes, field trials, water races and drag events. This amendment re-defines field trials and provides new provisions for applying for and operating under permits authorizing such field trials. This also re-defines limitations applicable to the conduct of field trial events, water races and drag events.

K.A.R. 23-17-1. General regulations. This amendment re-defines the endangered species list and the threatened species list and addresses limitations on

possession and taking thereof.

K.A.R. 23-17-2. Endangered and threatened wildlife; special permits. Provides definitions of terms for authorization of special permits regarding endangered or threatened species of wildlife and addresses limitations regarding use of such permits.

K.A.R. 23-17-3. General regulations. Establishes list for nongame species declared in need of conservation and prohibits certain activities regarding such species.

K.A.R. 23-18-1. Amount of fees. This amendment provides for increase to several fees charged by the commission.

Copies of the full text of the proposed amendments and regulations and the fiscal impact statements may be obtained by writing to the director of the Kansas Fish and Game Commission at the address above.

> IOE FOWLER Chairman

#### State of Kansas DEPARTMENT OF TRANSPORTATION

#### NOTICE TO CONTRACTORS

Sealed proposals for the construction of road and bridge work in the following Kansas counties will be received at the office of the Chief of Construction and Maintenance, K.D.O.T., Topeka, until 10 a.m., C.S.T. November 20, 1986, and then publicly opened:

#### **DISTRICT ONE—Northeast**

Johnson—7-46 K-0447-05—K-7, Clear Creek, 0.6 mile north of K-12, bridge replacement. (Federal Funds)

Johnson-46 U-0939-01—Roe Ave., 121st Street, then north to 112th in Leawood, 1.3 miles, grading and surfacing. (Federal Funds)

Leavenworth—52 U-1064-01—U.S. 73 and Veterans Administration entrance in Leavenworth, intersection improvement. (Federal Funds)

Pottawatomie—75 C-1913-01—County road, 5.5 miles south and 0.5 mile west of Onaga, then southwest, 0.5 mile, bridge replacement. (Federal Funds)

Shawnee—24-89 K-2070-01—U.S. 24, Atchison, Topeka and Santa Fe Railway bridge 83, 1.6 miles east of U.S. 75 Alternate, bridge repair. (State Funds)

Shawnee—89 U-0945-01—East 2nd Street and Deer Creek in Topeka, 0.1 mile, bridge replacement. (Federal Funds)

Wvandotte-35-105 K-1775-02-I-35, 0.25 mile south of Johnson-Wyandotte county line, then northeast to K-12, 2.3 miles, grading, surfacing and bridge. (Federal Funds)

Wyandotte-35-105 K-2909-01-I-35, 0.25 mile south of Johnson-Wyandotte county line, then northeast to K-12, lighting. (Federal Funds)

Wvandotte-70-105 K-0966-09-I-70, from east of I-635, then east to I-670, 1.7 miles, seeding and roadside improvement. (Federal Funds)

Wyandotte—105 U-1029-01—10th and Kansas Avenue in Kansas City, intersection improvement. (Federal Funds)

#### **DISTRICT TWO—Northcentral**

Chase—9 C-1873-01—County road, 5.0 miles north and 8.0 miles west of Elmdale, then west, 0.2 mile, bridge replacement. (Federal Funds)

Dickinson-43-21 K-1888-01-K-43, Smoky Hill River bridge 72, 0.3 mile north of Enterprise, 0.7 mile, bridge replacement. (Federal Funds)

#### **DISTRICT THREE—Northwest**

Ellis-26 C-1738-01-County road, 10.5 miles north and 1.0 miles east of Ellis, then east, 0.3 mile, bridge replacement. (Federal Funds)

Rooks-82 C-1587-01-County road, 6.0 miles north and 7.0 miles east of Plainville, then east, 0.2 mile, bridge replacement. (Federal Funds)

Russell—84 C-1902-01—County road, 2.0 miles east and 5.1 miles north of Russell, then north, 0.4 mile, bridge replacement. (Federal Funds)

#### **DISTRICT FOUR—Southeast**

Cherokee-11 C-1846-01-County road, 1.0 mile north and 2.1 miles west of Melrose, then west, 0.2 mile, bridge replacement. (Federal Funds)

Crawford—19 C-1244-01—County road, 5.0 miles south and 2.6 miles west of Girard, then west, 0.2 mile,

bridge replacement. (Federal Funds)

Miami—61 C-2034-01—County road, 6.0 miles south and 0.6 mile east of Louisburg, then east, 0.4 mile, bridge replacement. (Federal Funds)

#### **DISTRICT FIVE—Southcentral**

Butler-54-8 K-0147-01-U.S. 54, end of four-lane divided, north to south city limits of El Dorado, 0.9 mile, grading, surfacing and bridge. (Federal Funds)

Sedgwick-135-87 K-2513-01-I-35, 300 feet south of 47th Street, north to the south junction of I-135 and I-235, 0.4 mile, pavement reconstruction. (Federal Funds)

Sedgwick-135-87 K-2513-02-I-35, 300 feet south of 47th Street, north to the south junction of I-135 and

I-235, 0.5 mile, signing. (Federal Funds)

Sedgwick—235-87 K-2514-01—I-235, south junction of I-135, west and north to the junction of U.S. 54, 6.6 miles, surfacing and bridge. (Federal Funds)

**Sedgwick**—235-87 K-2514-02—I-235, south junction of I-135, west and north to the junction of U.S. 54, 6.6

miles, signing. (Federal Funds)

Proposals will be issued upon request to all prospective bidders who have been prequalified by the Kansas Department of Transportation on the basis of financial condition, available construction equipment and experience. Also, a statement of unearned contracts (Form No. 284) must be filed. There will be no discrimination against anyone regardless of race, age, religion, color, sex, handicap or national origin in the award of contracts.

Each bidder shall file a sworn statement executed by, or on behalf of the person, firm, association or corporation submitting the bid, certifying that such person, firm, association or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the submitted bid. This sworn statement shall be in the form of an affidavit executed and sworn to by the bidder before a person who is authorized by the laws of the state to administer oaths. The required form of the affidavit will be provided by the state to each prospective bidder. Failure to submit the sworn statement as part of the bid-approval package will make the bid nonresponsive and not eligible for award consideration.

Plans and specifications for the projects may be examined at the office of the respective county clerk or at the K.D.O.T. district office responsible for the work.

> JOHN B. KEMP Secretary of Transportation

## State of Kansas SOCIAL AND REHABILITATION SERVICES

#### **PUBLIC NOTICE**

The basic maximum daily rate of charge for treatment of patients in state institutions was originally published in the Kansas Register in Vol. 5, No. 29, July 17, 1986. The maximum daily rate for Norton State Hospital has been revised upward from \$130.36 to \$149.91, effective July 1, 1986.

ROBERT C. HARDER Secretary of Social and Rehabilitation Services

Doc. No. 004690

#### State of Kansas

#### OFFICE OF THE GOVERNOR

**EXECUTIVE ORDER NO. 86-89** 

#### INTERIM ALLOCATION FOR PRIVATE ACTIVITY BONDS PURSUANT TO THE TAX REFORM ACT OF 1986

WHEREAS, the Congress of the United States has passed H.R. 3838, known as the Tax Reform Act of 1986; and

WHEREAS, the provisions the Tax Reform Act of 1986, together with the Internal Revenue Code of 1954, both as proposed to be amended, would be known as the Internal Revenue Code of 1986 ("the Code"); and

WHEREAS, Section 146 of the Code restricts the aggregate amount ("State Ceiling") of certain bonds designated as "private activity bonds" within the meaning of Sections 141, 146(g), 146(h) and 146(i) of the Code, the interest on which would be exempt from federal income taxation, which may be issued within any state of the United States during any calendar year to \$250,000,000 or an amount equal to \$75 per resident of a state, whichever is greater; and

WHEREAS, the State Ceiling applies to Private Activity Bonds issued after August 15, 1986; and

WHEREAS, Section 146 of the Code provides a formula for allocating the State Ceiling among the various state agencies, cities, counties and other issuing authorities in a state ("Issuers"), which shall be effective unless the legislature or governor of a state provides for a different formula for allocating a ceiling within a state; and

WHEREAS, the provisions of Section 146 of the Code for allocating the State Ceiling within the State of Kansas are unworkable in the State of Kansas; and

WHEREAS, the Governor of the State of Kansas has found and determines that the economic development of the State of Kansas and the best interests of the citizens of the State of Kansas will be served by the promulgation of a different formula for allocating the State Ceiling among Issuers in the State of Kansas.

NOW, THEREFORE, pursuant to the authority vested in me as Governor and chief executive of the State of Kansas and in accordance with Section 146 of

the Internal Revenue Code of 1986, I hereby establish the following formula for allocating the State Ceiling for the State of Kansas for calendar year 1986.

- (1) For calendar year 1986, the State Ceiling shall be allocated to Issuers, whether local or state, by the Secretary of Economic Development ("Secretary") in accordance with the provisions of this Order.
- (2) The State Ceiling for calendar year 1986 is hereby determined to be \$250,000,000.
- (3) Prior to any issuance of Private Activity Bonds that are subject to the State Ceiling subsequent to the effective date of this Order, all Issuers, whether state or local, shall first submit an Application for each Project to the Secretary on forms prescribed by the Secretary.
- (4) The Secretary shall approve each properly filed Application for an allocation of the State Ceiling on the basis of the chronological order of receipt from Issuers. If an Application is in excess of \$10,000,000 (\$30,000,000 with respect to Qualified Mortgage Bonds as defined in Section 142 of the Code), the Secretary may approve the total amount, approve a partial amount or reject the Application.
- (5) Within five working days after receipt of an Application, the Secretary shall notify the Issuer in writing of the amount of the approved allocation or the disapproval of the Application. Approval of any allocation shall expire at 11:59 P.M. (Local Time) forty-five days after the date of approval of the Secretary unless a longer period is specified by the Secretary, or an extension is approved by the Secretary as provided in Section (6). All approved allocations shall expire on December 31, 1986, unless a carryforward election has been made as provided in Section (7). All approved allocations shall expire if voluntarily surrendered to the Secretary.
- (6) An Issuer may request an extension of time by filing a written notice for extension with the Secretary, which must be received by the Secretary not less than five days prior to the expiration date specified in Section (5). The Secretary may approve an extension of not to exceed thirty days. The Secretary shall notify the Issuer within five days if the request for extension has been approved. In the event the bonds are not issued on or before the last day of the extension period, the approved allocation shall expire at the close of business on the last business day of the extension.
- (7) On and after December 15, 1986, the Secretary may approve a carryforward election for an approved allocation or any extension thereof, if the Issuer indicates in writing that the bonds cannot be issued in calendar year 1986. A statement of approval of carryforward election shall be signed by the Secretary and filed with the Internal Revenue Service prior to the end of calendar year 1986 in accordance with Section 146 of the Code. An Issuer may elect to carryforward issuing authority only for qualified mortgage bonds, mort-

gage credit certificates, qualified student loan bonds, qualified redevelopment bonds as defined in Section 142, 143 and 144 of the Code, or bonds to finance a project described in Section 141(d)(1)(A) of the Code. In no event shall such carryforward be effective for a period longer than permitted by Section 146(f) of the Code.

(8) In the event an approved allocation expires as provided in Sections (5) or (6), the Issuer may re-submit an Application for an allocation for the same Project. Such re-submitted Application shall be reviewed in the order received with no preference or priority given as a result of the

prior Application for the same Project.

(9) All Issuers, whether state or local, are required to report to the Secretary, on forms prescribed by the Secretary, the amount of all Private Activity Bonds issued pursuant to approved allocation under this Order:

(a) by telephone not later than the second business day after the date of issuance of such

bonds; and

(b) by restricted mail, return receipt requested, postmarked not later than the fifth calendar

day after the issuance of such bonds.

(10) Failure by an Issuer to report as required in Section (9), or to abide by the terms of this Order, may, at the discretion of the Secretary, result in the forfeiture of the future allocations for Private Activity Bonds.

(11) The Secretary shall review and evaluate the use and demand for Private Activity Bonds in proportion to the unused or uncommitted portion of the State Ceiling. If it appears that the allocation of the State Ceiling should be revised, the Secretary shall recommend to the Governor an alternative method to utilize the unused or uncommitted portion of the State Ceiling.

(12) This Executive Order shall continue in full force

and effect until the earlier of:

(a) the effective date of any act of the Legislature of the State of Kansas with respect to the subject matter hereof; or

(b) the date of subsequent Executive Order with respect to the subject hereof is promulgated.

This document shall be filed with the Secretary of State as Executive Order No. 86-89 and shall become effective immediately.

Dated October 17, 1986.

**JOHN CARLIN** Governor Attest: JACK H. BRIER Secretary of State

Doc. No. 004698

### State of Kansas SOCIAL AND REHABILITATION SERVICES STATE ECONOMIC OPPORTUNITY OFFICE

#### NOTICE CONCERNING LOW INCOME WEATHERIZATION ASSISTANCE PROGRAM

In accordance with the Department of Energy regulations dated January 27, 1984, Part VI, Sections 440.14 and 440.15, the State Economic Opportunity Office, a section of Adult Services within the Department of Social and Rehabilitation Services, is accepting applications for the low income Weatherization Assistance Program for the purpose of identifying program operators for 1987 grants. Applicants may be either a public or private nonprofit organization. The Weatherization Assistance Program provides weatherization services at no cost to eligible low income, elderly and handicapped persons.

Requests for proposals will be available to interested organizations after October 15, 1986 upon receipt of written request. The deadline for requesting RFP's is November 14, 1986. Written requests should be made to the State Economic Opportunity Office, Biddle Building, 100 NE, 2700 S.W. 6th, Topeka 66606. Questions may be directed to Jim Spano, Weatherization Assistance Program Coordinator, (913)

296-2458.

LOIS A. MARTIN, Administrator Quality Control/Weatherization SRS/Adult Service Commission

Doc. No. 004654

#### State of Kansas KANSAS INSURANCE DEPARTMENT

#### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be held at 10 a.m. Friday, November 7, at the Kansas Insurance Department, 420 S.W. 9th, Topeka, to consider the adoption of proposed temporary and permanent regulations of the department.

Copies of the full text of the regulations and the fiscal impact statements may be obtained by writing to the Commissioner of Insurance, 420 S.W. 9th Street, Topeka 66612. The following is a summary of the regulations:

K.A.R. 40-1-20: This regulation is amended to more specifically cite the provisions of K.S.A. 40-2203 that

are being implemented by this regulation.

K.A.R. 40-1-32: The amendments to this regulation are intended to clarify its application. Specifically, 1985 editorial amendments to this regulation inadvertently confused some insurers in that the regulation gave the appearance of eliminating acquisition of consent concurrent with attachment of the subject endorsement or through application of an existing contractual provision.

K.A.R. 40-2-8, 40-2-12, 40-8-7, 40-8-11, 40-10-14,

40-12-9, 40-12-10, 40-13-7, 40-14-9, 40-15-4: The amendments to these regulations are of an editorial nature and are intended to accommodate concerns raised by the Joint Legislative Committee on Administrative Rules and Regulations.

K.A.R. 40-2-14: This regulation has been amended to add provisions relating to improper references or descriptions of annuities in advertising and solicitation material. The regulation also requires that a disclosure form prescribed by the commissioner be attached to all applications for single premium deferred annuities.

**K.A.R.** 40-2-15: The amendments to this regulation were created by a legislative concern regarding the fact that purchasers of single premium nonrenewable policies and variable annuity contracts are not now subject to the "10 day free look" provision. The regulation as amended will remove this concern.

K.A.R. 40-2-19: This is a new regulation to implement the notice requirements contained in the revised life and health insurance guaranty association act enacted by the 1986 legislature.

K.A.R. 40-4-22: The amendments to this regulation were created by a legislative concern regarding the fact that purchasers of single premium nonrenewable policies are not now subject to the "10 day free look' provision. The regulation as amended will remove

K.A.R. 40-4-34: This regulation adopts the 1985 edition of the N.A.I.C.'s coordination of benefits regulation.

K.A.R. 40-5-10: The maximum amount of insurance to which this regulation applies is increased from \$1,500 to \$3,000.

K.A.R. 40-7-6: This regulation is being amended to reflect the fact that, under certain conditions, policies can be countersigned by a nonresident agent.

K.A.R. 40-7-7: The amendments to this regulation are necessary to accommodate the change in the examination fee proposed by K.A.R. 40-7-21. Changes are also included to clarify that if a person has not been licensed and certified as a Kansas resident agent for two years or more, they must again take the agent's examination to qualify for a license. Finally, the amendments make it clear that applicants for a nonresident agent's license must be authorized to transact the same classes of insurance in their home state as they wish to transact in Kansas.

**K.A.R.** 40-7-10: Because of the renewal procedures now provided by law, this regulation is no longer needed and is being revoked.

K.A.R. 40-7-13: Reference to Parts I, II and III of the agent's qualifying examination have been stricken in order to provide more flexibility in structuring examinations. Other changes are of an editorial nature.

K.A.R. 40-7-19: The changes to this regulation consist of clarifying the type of license record referenced and adding provisions to make a charge for amending a company certification.

K.A.R. 40-7-20: This is a new regulation which implements Senate Bill No. 532 relating to the minimum education requirements applicable to life and health agents.

K.A.R. 40-7-21: This is a new regulation that increases the fee for agent's examinations from \$10 to

K.A.R. 40-8-6: The experience accumulated under the 1982 revisions to the laws governing placement of insurance with a nonadmitted company indicate that this regulation is no longer necessary or appropriate. Therefore, it is being revoked.

K.A.R. 40-9-100: The new language added to this regulation will correct an oversight dating from the original adoption of the N.A.I.C. model advertising regulations. Specifically, the model requires individual state selection of the number of months which must elapse between open enrollments for the same product. The amendment to this regulation specifies a six month minimum lapse period between open enrollments.

K.A.R. 40-9-118: This regulation adopts, by reference, the N.A.I.C. model advertising rules for life insurance.

**K.A.R. 40-9-119 to 40-9-125**: Due to adoption of N.A. I.C. model regulation (K.A.R. 40-9-118) these regulations are being revoked.

K.A.R. 40-12-5: The purpose this regulation was designed to serve can be fulfilled by application of statutory provisions. Therefore, the regulation is no longer necessary and is being revoked.

K.A.R. 40-12-11, 40-12-14: These regulations have been amended to clarify the fact that their requirements apply only to domestic companies.

K.A.R. 40-12-12: This regulation has been amended to clarify the fact that its requirements apply only to domestic companies. In addition, the reference to "employers" has been amended to correctly refer to "employees."

K.A.R. 40-12-13, 40-12-16, 40-12-17, 40-12-18, 40-12-19: These regulations have been amended to clarify the fact that their requirements apply only to domestic companies. The remaining changes are editorial in nature and are designed to clarify its intent.

**K.A.R.** 40-13-1, 40-13-5, 40-13-12: The amendments to these regulations are editorial in nature and are intended to enhance its clarity.

K.A.R. 40-13-2: This regulation is being revoked because it is obsolete. Specifically, the exemption of transactions occurring within six months prior to January 31, 1966 is no longer operative.

K.A.R. 40-14-8: This regulation is duplicative of a statutory provision and is therefore being revoked.

K.A.R. 40-15-6: This regulation has been editorially revised to improve its clarity and correct an obvious error by relettering the second subsection (b) as subsection (c).

All interested parties may submit written comments prior to the hearing to the Commissioner of Insurance. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulations during the hearing.

> FLETCHER BELL Commissioner of Insurance

## DEPARTMENT OF REVENUE LIQUOR LAW REVIEW COMMISSION

#### NOTICE OF MEETING

The Liquor Law Review Commission will meet at 10 a.m. Thursday, November 6 and Friday, November 7, in Room 313-S, State Capitol, Topeka.

HERB ROHLEDER Chairman

Doc. No. 004696

#### State of Kansas

## DEPARTMENT OF HEALTH AND ENVIRONMENT

#### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be held at 10 a.m. Friday, November 14, at the Kansas Department of Health and Environment, Family Health conference room, Building 740, Forbes Field, Topeka, to consider the amendment of K.A.R. 28-17-7, 28-17-19 and 28-17-20.

These regulations are being amended to clarify existing statutes with regard to the retention of records by the local registrar, the filing of unattended births and the procedures for amending a birth or death certificate.

All interested parties may submit comments prior to the hearing to the director of the Bureau of Community Health, Kansas Department of Health and Environment, Forbes Field, Topeka 66620. All interested parties will be given a reasonable opportunity at the hearing to orally present their views in regard to the adoption of the proposed regulations. In order to give all parties an opportunity to speak, each participant will be limited to five minutes for an oral presentation.

Following the hearing, all written and oral comments submitted by interested parties will be considered by the Secretary of Health and Environment as the basis for making changes to these proposed regulations

Copies of the regulations and the fiscal impact statements may be obtained by writing to the Bureau of Community Health.

K.A.R. 28-17-7 specifies what information may be retained by the local registrar from the birth and death certificates transmitted through their office.

K.A.R. 28-17-19 specifies the time frame for filing unattended births in the state of Kansas.

K.A.R. 28-17-20 clarifies the procedures for amending a birth or death certificate and specifies under what circumstances an amendment can be made.

BARBARA J. SABOL Secretary of Health and Environment

Doc. No. 004695

## State of Kansas STATE CORPORATION COMMISSION

## POLICY STATEMENT CONCERNING ELECTRONIC GAS MEASUREMENT

The State Corporation Commission intends to approve the use of electronic gas measurement as an

alternative to traditional gas metering.

Electronic gas measurement collects gas flow data from pressure and differential pressure transmitters connected to the orifice taps of a standard orifice meter. A remote telemetry unit receives signals from the transmitters, calculates and stores flow data, and provides an output signal to operate the control valve. The remote telemetry unit transmits flow values to a base computer which prints the flow volumes for permanent record. Thus, meter charts will be replaced with computer printouts of the flow data.

The commission invites written public comment regarding the adoption of this policy. Comments should be sent to Shari M. Feist, Assistant General Counsel, 200 Colorado Derby Building, 202 W. 1st,

Wichita, by November 15.

SHARI M. FEIST Assistant General Counsel

Doc. No. 004679

## State of Kansas GRAIN INSPECTION DEPARTMENT

#### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

The Kansas State Grain Inspection Department will conduct a public hearing at 2 p.m. Thursday, November 6, in the conference room of the Grain Inspection Department, 235 S. Topeka, Topeka, regarding adoption of K.A.R. 25-4-1 as a permanent regulation to become effective May 1, 1987. The regulation was adopted as a temporary regulation effective June 6, 1986.

K.A.R. 25-4-1 has been amended to provide fees for check testing the weights in elevator head-houses, utilizing a mass comparator. Use of the mass comparator will eliminate the necessity of removing the weights from the head-house, transporting them to Topeka to be check tested and returned to the elevator on completion of the check testing. Also added in this regulation is a fee for factor only analysis for class identification.

All interested parties will be given a reasonable opportunity to orally express their views on the proposed permanent regulation. Written comments should be addressed to the director of the Kansas State Grain Inspection Department, P. O. Box 1918, Topeka 66601.

MARVIN R. WEBB Director

## State of Kansas STATE CORPORATION COMMISSION

#### NOTICE OF HEARING

The State Corporation Commission will conduct a hearing in the matter of a protest by Crawford Well Service against the continued operation of an injection well located on the Westhusin lease in the NE-SE-NE of Section 11, Township 09 South, Range 17 West, in Rooks County, Kansas by Terra Resources, Inc.

The hearing will begin at 10 a.m. Tuesday, November 4, in the conference room of the Conservation Division, 200 Colorado Derby Building, 202 W. 1st,

Wichita.

JAMES E. BROWNE Assistant General Counsel

Doc. No. 004677

#### State of Kansas

## DEPARTMENT OF HEALTH AND ENVIRONMENT

#### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be held at 10 a.m. Friday, November 7, at the Kansas Department of Health and Environment conference room, Building 321, Forbes Field, Topeka, to consider the adoption of the following proposed temporary and permanent rules and regulations of the department.

Administrative regulations concerning licensure of day care homes and group day care homes are as

follows:

K.A.R. 28-4-115 is amended to put into regulatory form the specific requirements for constructing, arranging, and maintaining the home so as to provide adequately for the health and safety of children in care. It also corrects an error in the regulations specifying a safe nitrate level for children.

K.A.R. 28-4-116 is amended to require individual bedding, and the use of pasteurized milk products.

General administrative regulations are as follows:

K.A.R. 28-4-127 is amended to require recording of accidents to children and of notifying parents immediately if a child becomes seriously ill or suffers an injury requiring hospitalization.

K.A.R. 28-4-130 is amended to specify when a second adult must be in the vehicle which is transporting

children.

K.A.R. 28-4-187 concerning day care referral agencies is amended to allow day care referral agencies to make referrals to facilities which have temporary permits, as well as to those which are registered or licensed.

Administrative regulations concerning licensing of group boarding homes and residential centers are as follows:

K.A.R. 28-4-269 is amended to repeal the require-

ment that the Kansas Department of Health and Environment must approve building plans for group boarding homes and residential centers.

K.A.R. 28-4-271 is amended to clarify resident/staff

ratios.

K.A.R. 28-4-275 is amended to repeal the requirement that sharp or dangerous instruments and tools must be in locked storage. It proposes that the use of such tools by residents be supervised by staff.

K.A.R. 28-4-277 is amended to repeal the requirement that the Kansas Department of Health and Environment approve plans for construction or alteration

of buildings used for residential care.

Administrative regulations concerning the licensure of detention centers are as follows:

K.A.R. 28-4-351 and 28-4-359 are amended to repeal the requirement that the Kansas Department of Health and Environment approve plans for buildings used as detention centers.

K.A.R. 28-4-377 concerning maternity centers is amended to repeal the requirement that the Kansas Department of Health and Environment approve plans for construction or alteration of buildings used for maternity centers.

Administrative regulations concerning child care centers and preschools are as follows:

K.A.R. 28-4-420 is amended to include school-age programs in the definition of child care centers.

K.A.R. 28-4-422 is amended to repeal the requirement that the Kansas Department of Health and Environment approve plans for construction or alteration of buildings to be used for child care centers or preschools.

K.A.R. 28-4-429 is amended to specify requirements for assistant program directors in centers/preschools enrolling more than 160 children.

K.A.R. 28-4-440 is amended to prohibit the use of stacking cribs and to clarify what disinfectant may be used to sanitize diaper changing tables.

All interested parties may submit written comments prior to the hearing to the director of the Bureau of Adult and Child Care Facilities, Forbes Field, Topeka 66620. All interested parties will be given a reasonable time at the hearing to orally present their views in regard to the adoption of the proposed regulations. In order to give all parties an opportunity to present their views, it may be necessary to limit each participant presentation to five minutes. Following the hearing, all written and oral comments submitted by interested parties will be considered by the Secretary of Health and Environment as the basis for making proposed regulations.

Copies of the regulations and the fiscal impact statement may be obtained by writing to the Bureau of Adult and Child Care Facilities.

> BARBARA J. SABOL Secretary of Health and Environment

#### STATE CORPORATION COMMISSION

#### NOTICE OF HEARING

The State Corporation Commission has issued an order which penalized the following operators for failure to renew their operator or contractor licenses as required by K.S.A. 55-155 and K.A.R. 82-3-120:

- —Chesnutt Oil Properties
- —Chris Melander Drilling
- -Gruver, Inc.
- -Iomarka II, Ltd.
- —K S & S Gas
- -Midnight Well Service
- -R & R Oil

—Southwest Operating, Inc.

Pursuant to K.S.A. 55-164, the matter is set for hearing at 1:30 p.m. Monday, November 3, in the conference room of the Conservation Division, 200 Colorado Derby Building, 202 W. 1st, Wichita.

JAMES E. BROWNE Assistant General Counsel

Doc. No. 004680

(Published in the KANSAS REGISTER, October 23, 1986.)

#### NOTICE OF CALL FOR REDEMPTION TO THE REGISTERED OWNERS OF THE CITY OF NEODESHA, KANSAS WATER AND SEWAGE SYSTEM REVENUE BONDS SERIES 1972-A DATED JUNE 1, 1972

Notice is hereby given that pursuant to the provisions of Section 2 of Ordinance No. 1030 of the city of Neodesha, Kansas, the above mentioned bonds maturing June 1, 1987 and thereafter, and all unmatured coupons appertaining thereto, have been called for redemption and payment on December 1, 1986 at the office of the Treasurer of the State of Kansas, Topeka, Kansas, the paying agent.

On such redemption date there shall become due and payable, upon the presentation and surrender of each such bond, the redemption price thereof equal to 103.5 percent of the principal amount of each bond together with interest accrued to the redemption date (upon the presentation and surrender of each such bond and appropriate coupons appertaining thereto). Interest shall cease to accrue on the bonds so called for redemption from and after December 1, 1986, provided such funds for redemption are on deposit with the paying agent.

CITY OF NEODESHA, KANSAS By Jovonna L. Boecker City Clerk

Doc. No. 004689

#### State of Kansas

## DEPARTMENT OF ADMINISTRATION DIVISION OF PURCHASES

#### NOTICE TO BIDDERS

Sealed bids for the following items will be received by the Director of Purchases, State Office Building, Topeka, until 2 p.m. C.S.T., and then will be publicly opened. Interested bidders may call (913) 296-2377 for additional information.

#### MONDAY, NOVEMBER 3, 1986

#27409

Statewide—CATHETERS (CLASS 07)

#27325

Department of Social and Rehabilitation Services—INFLUENZA VIRUS VACCINE (SUPPLEMENTAL ITEM)

#27426

Kansas State University—NOVEMBER (1986) MEAT PRODUCTS

#67340

University of Kansas—WINDOW BLINDS

#67363

Secretary of State—CARPET #67366

Emporia State University—DATA MANAGEMENT SOFTWARE—MAINFRAME COMPATIBLE #67386

Department of Social and Rehabilitation Services—GLASS FIBER BATTS, Kansas City #67402

Department of Administration, Division of Purchases—SALE OF WORD PROCESSING EQUIPMENT

#### TUESDAY, NOVEMBER 4, 1986

#27415

Kansas State University—FERTILIZER #27417

Department of Health and Environment—BLOOD PRODUCTS AND SERVICES

#27422

Department of Administration, Buildings and Grounds Services—SNOW REMOVAL #27425

University of Kansas—DECEMBER (1986) MEAT PRODUCTS

#67332

Department of Transportation—GAS PUMP, Norton #67333

Department of Transportation—FURNISH AND INSTALL HEATING AND AIR CONDITIONING SYSTEM, Phillipsburg

#67334

Department of Transportation—LUMINAIRES, Kansas City

#67335

University of Kansas—LAB CHEMICALS #67336

Department of Revenue—CONTINUOUS FORMS #67375

University of Kansas—WORKSTATION—BIBLIOGRAPHICAL CENTER FOR RESEARCH COMPATIBLE

#### WEDNESDAY, NOVEMBER 5, 1986

#A-5312

Youth Center at Beloit—PROVIDE REPLACEMENT OF HEATING AND A/C UNIT, Prairie Vista Cottage

#A-5366

Kansas Soldiers' Home—HALSEY HALL ADDITION

#A-5627

Department of Transportation—REROOF (Complete Replacement) AREA BUILDING (Dot 3-4016), Oakley #A-5676

Kansas State University—PROVIDE ASBESTOS REMOVAL, designated area—Derby Food Center #66896-A

State Reception and Diagnostic Center—DISHWASHER

#67339

Winfield State Hospital and Training Center—DISHWASHING/SANITIZING SUPPLIES #67341

Kansas State Penitentiary—CLOTHING #67345

Fort Hays State University—VEHICLES #67373

Wichita State University—MODEM—CODEX COMPATIBLE, installed at various locations #67374

Department of Social and Rehabilitation Services—MARK SCANNER AND SOFTWARE, Salina

#### THURSDAY, NOVEMBER 6, 1986

#A-4063(f)

University of Kansas—FURNISH AND INSTALL HANDRAILS, Moore Hall, on campus #A-5673

University of Kansas Medical Center—INTRA
OPERATIVE RADIATION THERAPY ALTERATION
FOR SURGICAL SUITE, Room G015—20 Mevatron
Treatment Suite

#67347

Department of Revenue—VISION TESTERS #67348

Department of Social and Rehabilitation Services—VINYL FABRIC, Kansas City #67349

University of Kansas—FUEL OIL #67352

Kansas State University—MAGNET ASSEMBLY #67353

Kansas Correctional Industries— CHEMICALS—LAUNDRY

#67354

Kansas Correctional Industries—
EQUIPMENT—MEAT HANDLING, Oskaloosa
#67362

Department of Transportation—WATER PUMP, various locations

#67371

Kansas State University—MICROCOMPUTER—IBM AT COMPATIBLE, Carden City

University of Kansas—MEMORY CONTROLLER CARD—DEC COMPATIBLE

#67387
University of Kansas—SEATING PLATFORM IN MESSAGE CENTER, Allen Fieldhouse

#### FRIDAY, NOVEMBER 7, 1986

#67355

Larned State Hospital—EEG #67357

Kansas State University—VIDEO EQUIPMENT #67358

Department of Transportation—AB-SPECIAL AGGREGATE, AS-1 AGGREGATE, various locations #67359

Department of Transportation—CRACK SEAL MACHINE, various locations
#67360

Department of Transportation—CONCRETE MIXER, Salina

#67361

Department of Transportation—POTHOLE PATCHER, Salina

#67364

Adjutant General's Department— FLOORCOVERING

#67367

State Park and Resources Authority—SEWAGE LIFT STATION, Clinton State Park #67369

Department of Human Resources—UPGRADE OF WORD PROCESSORS

#67370

Kansas State University—MULTIPLEXER #67376

Department of Transportation—LUMINAIRES #67377

Kansas State University—MICROCOMPUTER SOFTWARE AND PERIPHERALS
#67378

Kansas State University—VIDEO IMAGE ACQUISITION BOARD

#67382
Norton State Hospital—INSTITUTIONAL
FURNITURE

#67383

Department of Transportation—KANSAS STATE MAPS

#### WEDNESDAY, NOVEMBER 12, 1986

#27421

Statewide—MISCELLANEOUS HOSPITAL SUPPLIES

#27423

Kansas State University—ROAD AGGREGATE—3,500 CUBIC YARDS #27424

Kansas State University—FLAT CONCRETE WORK

#### FRIDAY, NOVEMBER 14, 1986

#27238-A

Fish and Game Commission—BLANKET HUNTING AND FISHING LICENSE AND PERMIT BOND

> NICHOLAS B. ROACH Director of Purchases

(Published in the KANSAS REGISTER, October 23, 1986.)

NOTICE OF BOND SALE \$732,500 GENERAL OBLIGATION BONDS SERIES 177 OF THE

CITY OF MANHATTAN, KANSAS (general obligation bonds payable from unlimited ad valorem taxes)

#### Sealed Bids

Sealed bids will be received by the undersigned, city clerk of the city of Manhattan, Kansas, on behalf of the governing body at the City Hall, 11th and Poyntz, P.O. Box 748, Manhattan, until 4 p.m. C.S.T. on Tuesday, November 4, 1986, for the purchase of \$732,500 principal amount of general obligation bonds, series 177, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body at their regular meeting commencing at 7 p.m. that same evening. No oral or auction bids will be considered.

#### **Bond Details**

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, except one bond in the denomination of \$2,500, dated November 1, 1986, and becoming due serially on November 1 in the years as follows:

	Principal
Year	Amount
1987	\$22,500
1988	20,000
1989	20,000
1990	20,000
1991	25,000
1992	25,000
1993	25,000
1994	30,000
1995	30,000
1996	35,000
1997	35,000
1998	35,000
1999	40,000
2000	45,000
2001	45,000
2002	50,000
2003	50,000
2004	55,000
2005	60,000
2006	65,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 1987.

Place of Payment and Bond Registration

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the paying agent and bond registrar) to the registered owners thereof whose names are on the registration books of the bond registrar as of the 15th day of the month preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Attorney General of the State of Kansas.

The city will pay for the fees of the bond registrar for

registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the bond registrar, will be the responsibility of the bondowners.

The number, denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the city and bond registrar at least two weeks prior to the closing date. The initial reoffering price to the public by the original purchaser shall be furnished to the city at least one week prior to the closing date.

Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1987 to 1998, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the years 1999 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on November 1, 1998, or on any interest payment date thereafter at the redemption price of 100 percent (expressed as a percentage of the principal amount), plus accrued interest to the redemption date.

Whenever the city is to select the bonds for the purpose of redemption, it shall, in the case of bonds in denominations greater than \$5,000, if less than all of the bonds then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered bond as though it were a separate

bond of the denomination of \$5,000.

If the city shall elect to call any bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, said notice to be mailed by United States registered or certified mail addressed to the registered owners of said bonds, to the Treasurer of the State of Kansas, Topeka, Kansas, and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. If any bond be called for redemption and payment as aforesaid, all interest on such bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

#### **Conditions of Bids**

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed a rate equal to the 20 bond index of tax exempt municipal bonds published by Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. The difference between the highest rate specified and the lowest rate

specified shall not exceed 3 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid.

#### **Basis of Award**

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body shall determine which bid, if any, shall be accepted, and its determination shall be final. The city reserves the right to reject any and all bids and to waive any irregularities in a submitted bid.

Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 12-6a01 et seq., as amended and supplemented, and K.S.A. 12-685 et seq., for the purpose of paying the cost of certain water, sanitary sewer and street improvements. The bonds and the interest thereon will constitute general obligations of the city, payable in part from special assessments levied upon the property benefited by the construction of said improvements and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city, with the balance payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city.

Pending Federal Legislation Concerning Tax Exempt Obligations

On December 17, 1985, the United States House of Representatives adopted H.R. 3838, which includes an extensive revision of the federal income tax affecting tax-exempt financing. On June 24, 1986, the United States Senate adopted H.R. 3838 in substantially the form ordered reported in the way of an amendment by the Senate Committee on Finance. On August 16, 1986, a joint conference committee comprised of representatives of the United States Senate Committee on Finance and the United States House of Representatives Committee on Ways and Means adopted a conference report on H.R. 3838. The conference report was approved by the United States House of Representatives on September 25, 1986 and

by the United States Senate on September 27, 1986, and will be forwarded to the President of the United States for his consideration. The conference report provides that the provisions of H.R. 3838 relating to obligations of state and local governments would generally be effective for obligations issued after August 15, 1986. Certain of these provisions would impose requirements which must be met subsequent to the issuance and delivery of such obligations, including the bonds, in order for the interest thereon to remain exempt from federal income taxation. The city will covenant to comply with the provisions of H.R. 3838 as described in the conference report, if and to the extent such provisions are enacted into law; and to comply with all other applicable federal law, regulations, published rulings and court decisions, in order to preserve the tax-exempt status of the bonds to the extent such actions can be taken by the governing body of the city.

The conference report subjects interest on certain obligations, such as the bonds, in the adjusted net book income of certain corporations for taxable years after 1986 and would include in the calculation of alternative minimum taxable income 50 percent of the excess of a corporation's adjusted net book income over its pre-book alternative taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). In addition, the conference report provides that banks and thrift institutions would be unable to deduct any portion of the interest cost of purchasing or carrying tax-exempt obligations (with certain exceptions) if such interest costs are incurred in taxable years ending after December 31, 1986 with respect to bonds acquired after August 7, 1986.

The conference report provides that certain "qualified tax-exempt obligations" as defined in Section 902(b)(3)(B) will be treated as having been acquired on August 7, 1986. The city will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" described above.

The conference report provides that property and casualty insurance companies would be required for taxable years beginning on or after January 1, 1986 to reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includible in income.

The final outcome of the legislative process, specifically including approval of H.R. 3838 by the President of the United States, is at this time uncertain. Such final outcome, or any modifications to the conference report, could adversely affect the tax exemption of interest on and the value or marketability of the bonds. The purchaser of the bonds should be aware that in such event the bonds are not callable, nor will the interest rate on the bonds be adjusted to reflect the loss of federal tax exemption.

Legal Opinion and Tax Exemption

The bonds will be sold subject to the legal opinion

of Gaar & Bell, Wichita, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds, and delivered to the successful bidder as and when the bonds are delivered. Said opinion will state that in the opinion of bond counsel, under existing law, the bonds are exempt from intangible personal property taxes levied by Kansas cities, counties, and townships. A supplemental opinion of bond counsel will be rendered on the exemption status of the interest on said bonds from federal income taxation as of the date of closing. Such opinion will state, in part, subject to the assumptions contained therein, that interest on the bonds would be exempt from federal income taxation if H.R. 3838 is enacted into law in the form agreed to and described in the conference report. Copies of the approving and supplemental opinions of bond counsel will be included in the preliminary official statement of the city with respect to the bonds.

Reference is also made to the section entitled "Pending Federal Legislation Concerning Tax Exempt Obligations."

**Delivery and Payment** 

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder within 45 days after the date of sale at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in federal reserve funds, immediately subject to use by the city.

Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America equal to 2 percent of the total amount of the bid payable to the order of the city. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder shall have complied with all of the terms and conditions of this notice. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

#### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on certificated bonds or assigned to uncertificated bonds, but neither the failure to print such number on or assign such number to any bond nor any error with respect thereto shall constitute

cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the city.

**Bond Rating** 

The outstanding general obligation bonds of the city are rated "Aa" by Moody's Investor Service, Inc., and AA- by Standard & Poor's Corporation, and the city has applied for rating on the bonds herein offered for sale.

**Bid Forms** 

All bids must be made on forms which may be procured from the city clerk or the financial advisers. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid. The city reserves the right to waive irregularities and to reject any and all bids.

Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 4 p.m. C.S.T. on November 4, 1986.

Official Statement

The city has prepared a preliminary official statement dated October 7, 1986, copies of which may be obtained from the city clerk or the financial advisers. Upon the sale of the bonds, the city will adopt the final official statement and will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at his expense.

**Assessed Valuation and Indebtedness** 

The equalized assessed tangible valuation for computation of bonded debt limitations for the year 1986 is \$97,380,463.

The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$15,327,500. Temporary notes in the principal amount of \$602,589.40 will be retired out of proceeds of the bonds and other available funds.

**Additional Information** 

Additional information regarding the bonds may be obtained from Curt Wood, Director of Finance, or from the financial advisers, Stern Brothers & Co., Suite 810, One Main Place, Wichita, KS 67202, Attention: Charles M. Boully, (316) 265-8522; and First Securities Company of Kansas, Inc., Suite 200, One Main Place, Wichita, KS 67202, Attention: Larry L. McKown, (316) 262-4411.

Dated October 7, 1986.

CITY OF MANHATTAN, KANSAS
By Heide Clark, City Clerk
City Hall
11th and Poyntz, P.O. Box 748
Manhattan, KS 66502
(913) 537-0056

(Published in the KANSAS REGISTER, October 23, 1986.)

#### NOTICE OF BOND SALE \$200,000 GENERAL OBLIGATION SEWER BONDS SERIES A, 1986 OF THE CITY OF SEDAN, KANSAS

CITY OF SEDAN, KANSAS (general obligation bonds payable from unlimited ad valorem taxes)

#### Sealed Bids

Sealed bids will be received by the undersigned, city clerk of the city of Sedan, Kansas, on behalf of the governing body at the City Hall, 109 N. Chautauqua, Sedan, KS 67361, until 7:30 p.m. C.S.T. on Thursday, October 30, 1986, for the purchase of \$200,000 principal amount of general obligation sewer bonds, series A, 1986, of the city hereinafter described. All bids will be publicly opened and read at said time and place and will be acted upon by the governing body immediately thereafter. No oral or auction bids will be considered.

#### **Bond Details**

The bonds will consist of fully registered bonds in denominations of \$5,000 or any integral multiple thereof, dated November 1, 1986, and becoming due serially on September 1 in the years as follows:

Year	Principal Amount
1988	\$ 5,000
1989	10,000
1990	10,000
1991	10,000
1992	10,000
1993	10,000
1994	10,000
1995	15,000
1996	15,000
1997	15,000
1998	15,000
1999	15,000
2000	20,000
2001	20,000
2002	20,000

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 1988.

#### Place of Payment and Bond Registration

The principal of and interest on the bonds will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the paying agent and bond registrar) to the registered owners thereof whose names are on the registration books of the bond registrar as of the 15th day of the month preceding each interest payment date. The bonds will be registered pursuant to a plan of registration approved by the city and the Attorney General of the State of Kansas.

The city will pay for the fees of the bond registrar for registration and transfer of the bonds and will also pay for printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the bond registrar, will be the responsibility of the bondowners.

The number, denominations of the bonds and the names, addresses and social security or taxpayer identification numbers of the registered owners shall be submitted in writing by the successful bidder to the city and bond registrar at least two weeks prior to the closing date. The initial reoffering price to the public by the original purchaser shall be furnished to the city at least one week prior to the closing date.

#### Redemption of Bonds Prior to Maturity

Bonds maturing in the years 1988 to 1992, inclusive, shall become due without option of prior payment. At the option of the city, bonds maturing in the year 1993 and thereafter may be called for redemption and payment prior to maturity in whole or in part in inverse order of maturity (selection of bonds within the same maturity to be by lot by the city in such equitable manner as it may determine) on September 1, 1992, or on any interest payment date thereafter at the redemption price of 102 percent (expressed as a percentage of the principal amount), plus accrued interest to the redemption date.

Whenever the city is to select the bonds for the purpose of redemption, it shall, in the case of bonds in denominations greater than \$5,000, if less than all of the bonds then outstanding are to be called for redemption, treat each \$5,000 of face value of each such fully registered bond as though it were a separate bond of the denomination of \$5,000.

If the city shall elect to call any bonds for redemption and payment prior to the maturity thereof, the city shall give written notice of its intention to call and pay said bonds on a specified date, said notice to be mailed by United States registered or certified mail addressed to the registered owners of said bonds, to the Treasurer of the State of Kansas, Topeka, Kansas, and to the manager or managers of the underwriting account making the successful bid, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption. If any bond be called for redemption and payment as aforesaid, all interest on such bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

#### **Conditions of Bids**

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed a rate equal to the 20 bond index of tax exempt municipal bonds published by Credit Markets in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus 2 percent. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered and no supplemental interest payments will be authorized. Each bid shall specify the total interest cost to

the city during the life of the bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost to the city on the basis of such bid, all certified by the bidder to be correct, and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid shall also specify the average annual net interest rate to the city on the basis of such bid.

#### **Basis of Award**

The award of the bonds will be made on the basis of the lowest net interest cost to the city, which will be determined by subtracting the amount of the premium bid, if any, from the total interest cost to the city. If there is any discrepancy between the net interest cost and the average annual net interest rate specified, the specified net interest cost shall govern and the interest rates specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest net interest cost are received, the governing body shall determine which bid, if any, shall be accepted, and its determination shall be final. The city reserves the right to reject any and all bids and to waive any irregularities in a submitted bid.

#### Authority, Purpose and Security

The bonds are being issued pursuant to K.S.A. 12-631t, 12-631w, K.S.A. 12-617 et seq., K.S.A. 12-619 and K.S.A. 12-624, for the purpose of paying the cost of certain sewer improvements. The bonds and the interest thereon will constitute general obligations of the city, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the city.

## Pending Federal Legislation Concerning Tax Exempt Obligations

On December 17, 1985, the United States House of Representatives adopted H.R. 3838, which includes an extensive revision of the federal income tax affecting tax-exempt financing. On June 24, 1986, the United States Senate adopted H.R. 3838 in substantially the form ordered reported in the way of an amendmennt by the Senate Committee on Finance. On August 16, 1986, a joint conference committee comprised of representatives of the United States Senate Committee on Finance and the United States House of Representatives Committee on Ways and Means adopted a conference report on H.R. 3838. The conference report was approved by the United States House of Representatives on September 25, 1986 and by the United States Senate on September 27, 1986, and will be forwarded to the President of the United States for his consideration. The conference report provides that the provisions of H.R. 3838 relating to obligations of state and local governments would generally be effective for obligations issued after August 15, 1986. Certain of these provisions would impose requirements which must be met subsequent to the issuance and delivery of such obligations, including the bonds, in order for the interest thereon to remain exempt from federal income taxation. The city will covenant to comply with the provisions of H.R. 3838 as described in the conference report, if and to the extent such provisions are enacted into law; and to comply with all other applicable federal law, regulations, published rulings and court decisions, in order to preserve the tax-exempt status of the bonds to the extent such actions can be taken by the governing body of the city.

The conference report subjects interest on certain obligations, such as the bonds, in the adjusted net book income of certain corporations for taxable years after 1986 and would include in the calculation of alternative minimum taxable income 50 percent of the excess of a corporation's adjusted net book income over its pre-book alternative taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). In addition, the conference report provides that banks and thrift institutions would be unable to deduct any portion of the interest cost of purchasing or carrying tax-exempt obligations (with certain exceptions) if such interest costs are incurred in taxable years ending after December 31, 1986 with respect to bonds acquired after August 7, 1986.

The conference report provides that certain "qualified tax-exempt obligations" as defined in Section 902(b)(3)(B) will be treated as having been acquired on August 7, 1986. The city will covenant to take such actions as are necessary to designate the bonds as "qualified tax-exempt obligations" described above.

The conference report provides that property and casualty insurance companies would be required for taxable years beginning on or after January 1, 1986 to reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includible in income.

The final outcome of the legislative process, specifically including approval of H.R. 3838 by the President of the United States, is at this time uncertain. Such final outcome or any modifications to the conference report could adversely affect the tax exemption of interest on and the value or marketability of the bonds. The purchaser of the bonds should be aware that in such event, the bonds are not callable, nor will the interest rate on the bonds be adjusted to reflect the loss of federal tax exemption.

#### Legal Opinion and Tax Exemption

The bonds will be sold subject to the legal opinion of Gaar & Bell, Wichita, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the city, printed on the bonds and delivered to the successful bidder as and when the bonds are delivered. Said opinion will state that in the opinion of bond counsel, under existing law, the bonds are exempt from intangible personal property taxes levied by Kansas cities, counties and townships. A supplemental opinion of bond counsel will be rendered on the exemption status of the interest on said bonds from federal income taxa-

tion as of the date of closing. Such opinion shall state, in part, subject to the assumptions contained therein, that interest on the bonds would be exempt from federal income taxation if H.R. 3838 is enacted into law in the form agreed to and described in the conference report. Copies of the approving and supplemental opinions of bond counsel will be included in the preliminary official statement of the city with respect to the bonds.

Reference is also made to the section entitled "Pending Federal Legislation Concerning Tax Exempt Obligations."

#### **Delivery and Payment**

The city will pay for printing the bonds and will deliver the same properly prepared, executed and registered without cost to the successful bidder on or before November 25, 1986, at such bank or trust company in the state of Kansas or Kansas City, Missouri, as may be specified by the successful bidder. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in federal reserve funds, immediately subject to use by the city.

#### Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States of America equal to 2 percent of the total amount of the bid payable to the order of the city. If a bid is accepted, said check or the proceeds thereof will be held by the city until the bidder shall have complied with all of the terms and conditions of this notice. If a bid is accepted but the city shall fail to deliver the bonds to the bidder in accordance with the terms and conditions of this notice, said check or the proceeds thereof will be returned to the bidder. If a bid is accepted but the bidder defaults in the performance of any of the terms and conditions of this notice, the proceeds of such check will be retained by the city as and for liquidated damages. No interest will be paid upon the successful bidder's good faith check.

#### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on certificated bonds or assigned to uncertificated bonds, but neither the failure to print such number on or assign such number to any bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the assignment and printing of CUSIP numbers on the bonds will be paid by the city.

#### **Bid Forms**

All bids must be made on forms which may be procured from the city clerk or the financial adviser. No additions or alterations in such forms shall be made and any erasures may cause rejection of any bid.

The city reserves the right to waive irregularities and to reject any and all bids.

#### Submission of Bids

Bids must be submitted in sealed envelopes addressed to the undersigned city clerk and marked "Bond Bid." Bids may be submitted by mail or delivered in person to the undersigned at the City Hall and must be received by the undersigned prior to 7:30 p.m. C.S.T. on October 30, 1986.

#### Official Statement

The city has prepared a preliminary official statement dated October 14, 1986, copies of which may be obtained from the city clerk or from the financial adviser. Upon the sale of the bonds, the city will adopt the final official statement and will furnish the successful bidder with a reasonable number of copies thereof without additional cost upon request. Additional copies may be ordered by the successful bidder at his expense.

#### Assessed Valuation and Indebtedness

The total assessed valuation of the taxable tangible property within the city, for the year 1985, is as follows:

Equalized assessed valuation of taxable,	
tangible property	\$2,067,201
Tangible valuation of motor vehicles	\$1,035,796
Equalized assessed tangible valuation for	
computation of bonded debt limitations	\$3,102,997

The total general obligation indebtedness of the city as of the date of the bonds, including the bonds being sold, is \$815,000. Temporary notes in the principal amount of \$195,000 will be retired out of proceeds of the bonds and other available funds.

#### Additional Information

Additional information regarding the bonds may be obtained from the city clerk or from the financial adviser, Mid-Continent Municipal Investments, Inc., 333 Century Plaza Building, Wichita, KS 67202, Attention: David K. Malone, (316) 262-5161.

Dated October 14, 1986.

CITY OF SEDAN, KANSAS By Maxine Todd, City Clerk City Hall 109 N. Chautauqua Sedan, KS 67361 (316) 725-3193

(Published in the KANSAS REGISTER, October 23, 1986.)

#### NOTICE OF BOND SALE \$310,000 GENERAL OBLIGATION HOSPITAL BONDS SERIES 1986 OF

#### PLAINVILLE RURAL HOSPITAL DISTRICT NO. 1 PLAINVILLE, KANSAS

Plainville Rural Hospital District No. 1, Plainville, Kansas, will receive sealed bids at the Plainville Hospital, 304 S. Colorado, Plainville, until 7 p.m. C.S.T. on Monday, November 3, 1986, for \$310,000 general obligation hospital bonds, series 1986, of the district, at which time and place such bids will be publicly opened. No oral or auction bids will be considered.

#### Terms of the Bonds

The bonds will be dated December 1, 1986, and will mature serially on December 1 in the years and in the amounts set forth below. The bonds will consist of fully registered certificated or uncertificated bonds, each in the denomination of \$5,000 or integral multiples thereof not exceeding the principal amount of bonds maturing on the same maturity date. Interest will be payable June 1, 1987 and thereafter semiannually on December 1 and June 1 (the interest payment dates).

The principal of the bonds will be payable at the principal office of the Treasurer of the State of Kansas (the paying agent and bond registrar) to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds will be payable to the registered owners appearing on the books maintained by the bond registrar as of the 15th day of the month preceding each interest payment date (the record dates). The fees of the bond registrar for registration and transfer of the bonds will be paid by the district.

The bonds will mature serially as follows:

Maturity Date December 1	Principal Amount	Maturity Date December 1	Principal Amount
1987	\$10,000	1995	\$20,000
1988	15,000	1996	20,000
1989	15,000	1997	25,000
1990	15,000	1998	25,000
1991	15,000	1999	25,000
1992	20,000	2000	30,000
1993	20,000	2001	35,000
1994	20,000		·

**Purpose and Security** 

The bonds are being issued for the purpose of paying the costs of building an addition to the existing hospital to be used as a clinic and equipping the same. The bonds will constitute general obligations of the district, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount on all the taxable tangible property within the territorial limits of the district.

#### Conditions of Bids

Bids will be received for the bonds bearing such rate or rates of interest as may be specified by the bidder. The same rate will apply to all bonds of the same maturity. Each interest rate specified will be a multiple of 1/8 or 1/20 of 1 percent. The difference between the highest and lowest rates specified in any bid will not exceed 2.5 percent. No interest rate will exceed the maximum interest rate allowed by Kansas law, said rate being the 20 bond index of tax exempt municipal bonds published in the weekly Credit Markets in New York, New York, on October 27, 1986, plus 2 percent. No bid of less than par and accrued interest will be considered. Bids for less than the entire issue of bonds will not be considered.

#### Bid Form and Good Faith Deposit

Bids will be submitted on the official bid form furnished by the district, and will be addressed to the district at the Plainville Hospital, 304 S. Colorado, Plainville, KS 67663, and will be plainly marked "Bond Bid." Each bid will specify the total interest cost to the district on the basis of such bid and the average annual net interest rate on the basis of such bid. The net interest cost to the district will be determined by subtracting the amount of the premium, if any, from the total interest cost and will be stated as a dollar amount in the bid. The district will be entitled to rely on such dollar amount as stated in the bid as the basis of determining the lowest net interest cost bid. If there is any discrepancy between the said net interest cost and the average annual interest rate specified, the specified net interest cost will govern and the rates specified in the bid will be adjusted accordingly.

Each bid must be accompanied by a certified or cashier's check equal to \$6,200, made payable to Plainville Rural Hospital District No. 1. In the event a bidder whose bid is accepted fails to carry out his contract to purchase the bonds, said deposit will be retained by the district as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

#### Award of Bids

The sealed bids for the bonds will be opened publicly and only at the time and place specified in this notice. The district reserves the right to reject any and all of the bids and to waive any irregularities. Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the district.

#### Delivery of the Bonds

The bonds will be sold subject to the unqualified approving opinion of Stinson, Mag, & Fizzell, bond counsel, of Kansas City, Missouri, a copy of whose opinion will be printed on the reverse side of each certificated bond. Manually signed originals of the opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The cost of the opinion of bond counsel and the expense of printing the bonds will be paid by the district. Bond counsel's legal opinion will contain a statement to the effect that the bonds will constitute general obligations of the district payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the district.

In the opinion of bond counsel, under existing statutes, regulations, rulings and court decisions, including the Tax Reform Act of 1986, interest on the bonds will not be includible in gross income for purposes of federal income taxation. Interest on the bonds is not an item of tax preference for purposes of the individual or corporate alternative minimum tax as pre-tax book income in taxable years after December 31, 1986. The bonds have been designated as "qualified tax-exempt obligations" for the purposes of Section 902 of the Tax Reform Act of 1986 relating to interest deductions for banks and thrift institutions. In rendering an opinion bond counsel will assume the district's present and continuing compliance with covenants in the resolution of the district authorizing the bonds and other documents. (See "Tax Reform Act of 1986.")

#### Tax Reform Act of 1986

The United States House of Representatives and the United States Senate have passed the Tax Reform Act of 1986, which states that the provisions therein are to be effective for obligations such as the bonds issued after August 31, 1986 and is therefore applicable to the bonds.

The Act includes interest on tax-exempt obligations, such as the bonds, in the adjusted net book income of certain corporations for taxable years after December 31, 1986, and includes, in the calculation of alternative minimum taxable income, 50 percent of the excess of a corporation's adjusted net book income over its alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). The Act imposes an alternative minimum tax rate of 20 percent for corporations. Furthermore, property and casualty insurance companies are required under the Act, for taxable years beginning on or after January 1, 1987, to reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986.

#### **Assessed Valuation and Bonded Indebtedness**

The total assessed valuation of the taxable tangible property within the district for the year 1985 for the computation of limits upon bonded indebtedness is \$51,085,803. The assessed valuation for the year 1986 is \$35,448,320. The district has no outstanding general obligation bonded indebtedness as of this date except the \$310,000 proposed issue of bonds.

#### Official Information

Additional copies of this notice of bond sale, the official bid form, or further information may be obtained from William C. Brickley, Hospital Administrator, 304 S. Colorado, Plainville, KS 67663, (913) 434-4553.

Dated October 16, 1986.

PLAINVILLE RURAL HOSPITAL DISTRICT NO. 1 By Delora Teasley Secretary of the Board

Doc. No. 004697

(Published in the KANSAS REGISTER, October 23, 1986.)

#### NOTICE OF BOND SALE \$108,000

#### GENERAL OBLIGATION LIBRARY BONDS OF LIBRARY DISTRICT NO. 1 MIAMI COUNTY, KANSAS SERIES 1986

The Library District No. 1, Miami County, Kansas, will receive sealed bids at the library, 208 S. Broadway, Louisburg, until 7:30 p.m. C.S.T. on Thursday, October 30, 1986, for \$108,000 general obligation library bonds, series 1986, of the district, at which time and place such bids will be publicly opened. No oral or auction bids will be considered.

#### Terms of the Bonds

The bonds will be dated November 1, 1986, and will mature serially on September 1 in the years and amounts set forth below. The bonds will consist of fully registered certificated bonds, each in the denomination of \$5,000 or integral multiples thereof not exceeding the principal amount of bonds maturing in the same year. Bonds maturing in 1987 will be in the denomination of \$3,000. Interest will be payable on March 1 and September 1 in each year commencing on March 1, 1987.

The principal of the bonds will be payable at the principal office of the Treasurer of the State of Kansas (the paying agent and bond registrar), to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds will be payable by check or draft of the paying agent to the registered owners appearing on the books maintained by the bond registrar as of the preceding February 15 and August 15, respectively (the record dates). The fees of the bond registrar for registration and transfer of the bonds will be paid by the district.

The bonds will mature serially as follows:

Principal Amount	Maturity Date September 1	Principal Amount	Maturity Date September 1
\$3,000	1987	\$ 5,000	1997
5,000	1988	5,000	1998
5,000	1989	5,000	1999
5,000	1990	5,000	2000
5,000	1991	5,000	2001
5,000	1992	5,000	2002
5,000	1993	5,000	2003
5,000	1994	5,000	2004
5,000	1995	10,000	2005
5,000	1996	10,000	2006

Bonds maturing on September 1, 1997 and thereafter will be subject to redemption prior to maturity at the option of the district, as a whole or in part, in inverse order of maturity (selection of bonds for partial redemption of bonds of the same maturity to be by such method as the bond registrar shall deem fair and appropriate) on September 1, 1996, or on any interest payment date thereafter, at the redemption price of 103 percent of the principal amount of bonds redeemed plus accrued interest to the redemption date.

#### **Conditions of Bids**

Bids will be received for the bonds bearing such rate or rates of interest as may be specified by the bidder. The same rate will apply to all bonds of the

same maturity. Each interest rate specified will be a multiple of 1/8 or 1/20 of 1 percent. The difference between the highest and lowest rates specified in any bid will not exceed 2 percent. No interest rate will exceed the maximum interest rate allowed by Kansas law, said rate being the 20 bond index of tax exempt municipal bonds published in the weekly Credit Markets in New York, New York, on October 27, 1986, plus 2 percent, and no bid of less than par and accrued interest will be considered. Bids for less than the entire issue of bonds wll not be considered.

#### Bid Form and Good Faith Deposit

Bids will be submitted on the official bid form furnished by the district, and will be addressed to the Library District No. 1 of Miami County, Louisburg, KS 66053, Attention: Irma Ervin, Treasurer, and will be plainly marked "Bond Bid." Each bid will specify the total interest cost to the district on the basis of such bid and the average annual net interest rate on the basis of such bid. The net interest cost to the district will be determined by subtracting the amount of the premium, if any, from the total interest cost and will be stated as a dollar amount in the bid. The district will be entitled to rely on such dollar amount as stated in the bid as the basis of determining the lowest net interest cost bid. If there is any discrepancy between the said net interest cost and the average annual interest rate specified, the specified net interest cost will govern and the rates specified in the bid will be adjusted accordingly.

Each bid must be accompanied by a certified or cashier's check equal to 2 percent of the principal amount of the bonds, and payable to Treasurer, Library District No. 1, Miami County, Kansas. In the event a bidder whose bid is accepted fails to carry out his contract to purchase the bonds, said deposit will be retained by the district as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

Award of Bids

The sealed bids for the bonds will be opened publicly and only at the time and place specified in this notice. The district reserves the right to reject any and all of the bids and to waive any irregularities. Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the district.

#### Delivery of the Bonds

The bonds, duly printed, executed and registered. will be furnished and paid for by the district. The bonds will be sold subject to the opinion of Stinson, Mag & Fizzell, bond counsel, of Kansas City, Missouri, a copy of whose opinion will be printed on the reverse side of each bond. Manually signed originals of the opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The cost of this legal opinion and the expense of printing the bonds will be paid by the district. Said legal opinion will contain a statement to the effect that the bonds will constitute general obligations of the district, payable as to both principal and interest from ad valorem taxes which may be levied without limitation

as to rate or amount upon all of the taxable tangible property within the territorial limits of the district.

The number and denominations of bonds and names of the registered owners to be shown on the bonds initially delivered will be submitted in writing by the successful bidder to the bond registrar not later than November 14, 1986.

The purchaser will be furnished with a complete transcript of proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds will be made in immediately available funds. Delivery of the bonds will be made to the successful bidder on or before November 21, 1986, at any bank in the state of Kansas or Kansas City, Missouri, at the expense of the district. The purchase price, together with any premium and accrued interest from the date of the bonds to the date of delivery, will be paid at delivery or the good faith deposit will be forfeited.

#### Tax Exemption

In the opinion of bond counsel, under existing statutes, regulations, rulings and court decisions, including the Tax Reform Act of 1986, interest on the bonds is exempt from federal income taxation. The interest on the bonds is subject to Kansas income taxation. In rendering this opinion bond counsel has assumed the district's present and continuing compliance with covenants in the resolution of the Board of Directors of the district authorizing issuance of the bonds and other documents. See "Tax Reform act of 1986" herein. Interest on the bonds is not an item of tax preference for purposes of the individual or corporate alternative minimum tax, except that interest on the bonds may be subject indirectly to a corporate alternative minimum tax as pre-tax book income in taxable years beginning after December 31, 1986. The district has designated the bonds as "qualified tax-exempt obligations" under Section 902 of the Act relating to interest deductions for banks and thrift institutions.

#### Tax Reform Act of 1986

The United States House of Representatives and the United States Senate have passed the Tax Reform Act of 1986, which states that the provisions therein are to be effective for obligations such as the bonds issued after August 31 1986, and, thus, is applicable to the bonds.

The Act includes interest on tax-exempt obligations. such as the bonds, in the adusted net book income of certain corporations for taxable years beginning after December 31, 1986 and includes, in the calculation of alternative minimum taxable income, 50 percent of the excess of a corporation's adjusted net book income over its alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses). The Act imposes an alternative minimum tax rate of 20 percent for corporations. Furthermore, property and casualty insurance companies are required under the Act, for taxable years beginning on or after January 1, 1987, to

reduce the amount of their deductible underwriting losses by a percentage of the amount of tax-exempt interest received or accrued on obligations acquired after August 7, 1986.

Purpose

The bonds are being issued for the purpose of paying part of the cost of purchasing two buildings for use as a library.

**Assessed Valuation and Bonded Indebtedness** 

The total assessed valuation of the taxable tangible property within the district for the year 1985 is \$18,128,834. Tax collection in the district exceeds 95 percent. The district has no outstanding indebtedness other than this issue.

The district has a population of 5,407 which includes the city of Louisburg, Kansas. The district encompasses 175 square miles.

#### Official Information

Additional copies of this notice of bonds sale, the official bid form and further information may be obtained from the district at the address given above or from McLiney & Company, 15 W. 10th, Kansas City, MO 64105, (816) 221-4042.

Dated October 16, 1986.

LIBRARY DISTRICT NO. 1 MIAMI COUNTY, KANSAS By Irma Ervin, Treasurer

Doc. No. 004684

(Published in the KANSAS REGISTER, October 23, 1986.)

NOTICE OF BOND SALE \$341,000 GENERAL OBLIGATION INTERNAL IMPROVEMENT BONDS SERIES B, 1986 OF THE CITY OF GARDEN CITY, KANSAS

Date, Time and Place of Receiving Bids

The City Commission, as governing body of the city of Garden City, Kansas, will receive sealed bids at the office of the City Clerk, Administrative Center, 301 N. 8th, Garden City, until 1 p.m. C.S.T. on Wednesday, November 12, 1986, for \$341,000 par value general obligation internal improvement bonds, series B, 1986, of the city, at which time the city commission will meet in the city commission meeting room to publicly open the bids. No oral or auction bids will be considered.

**Description of Bonds** 

The series B, 1986 bonds will be dated as of November 1, 1986, and shall mature on November 1 in each of the years and in the amounts set forth below. The bonds shall consist of fully registered certificated bonds in denominations of \$5,000, or any integral multiple thereof not exceeding the principal amount of bonds maturing in each year, except for one bond which shall be in the denomination of \$6,000. Interest on the bonds will be payable semiannually, commencing May 1, 1987, and each November 1 and May 1 thereafter. The principal of, and premium, if any, on the bonds shall be payable in lawful money of the United States of America at the principal office of the Treasurer of the State of Kansas (the paying agent and

bond registrar) to the registered owners thereof upon presentation of the bonds for payment and cancellation. Interest on the bonds shall be payable in lawful money of the United States of America by mailing of check or draft of the paying agent to the registered owners thereof as their names appear on the registration books of the city maintained by the bond registrar as of the 15th day of the month next preceding the interest payment dates (the record dates). The fees of the bond registrar for the registration and transfer of the bonds shall be paid by the city.

The bonds will mature serially in accordance with

the following schedule:

Principal Amount	Maturity Date
\$31,000	November 1, 1987
30,000	November 1, 1988
35,000	November 1, 1989
35,000	November 1, 1990
35,000	November 1, 1991
35,000	November 1, 1992
35,000	November 1, 1993
35,000	November 1, 1994
35,000	November 1, 1995
35,000	November 1, 1996

**Interest Rate** 

Proposals will be received on the bonds bearing such rate or rates of interest as may be specified by the bidder. The same rate shall apply to all bonds of the same maturity. Each interest rate specified shall be in an even multiple of 1/8 or 1/20 of 1 percent. No interest rate shall exceed the maximum interest rate allowed by Kansas law, said rate being the 20 bond index of tax exempt municipal bonds published by Credit Markets in New York, New York, on the Monday next preceding the date on which the bonds are sold (November 10, 1986), plus 2 percent; and no bid of less than par and accrued interest will be considered. Bids for less than the entire issue of bonds will not be considered.

Bid Form and Good Faith Deposit

Bids shall be submitted on the official bid form furnished by the city, and shall be addressed to the City Commission, City Administrative Center, 301 N. 8th, Garden City, KS 67846, Attention: Tim Knoll, City Clerk, and shall be plainly marked "Bond Bid." All bids must state the total interest cost of the bid, the premium, if any, the net interest cost of the bid, and the average annual interest rate, all certified by the bidder to be correct; and the city will be entitled to rely on the certificate of correctness of the bidder. Each bid must be accompanied by a certified or cashier's check equal to 2 percent of the total amount of the bid, and shall be payable to "City Treasurer, City of Garden City, Kansas." In the event a bidder whose bid is accepted shall fail to carry out his contract of purchase, said deposit shall be retained by the city as liquidated damages. The checks of unsuccessful bidders will be returned promptly.

Award of Bonds

The sealed bids for the bonds shall be opened publicly and only at the time and place specified in this notice, and the bonds will be sold to the best bidder. The city reserves the right to reject any and all bids and to waive any irregularities. Unless all bids are rejected, the bonds will be awarded to the bidder whose proposal results in the lowest net interest cost

to the city, and the net interest cost will be determined by deducting the amount of any premium paid from the aggregate amount of interest upon all of the bonds from their date until their respective maturities.

**Delivery of the Bonds** 

The bonds, duly printed, executed and registered, will be furnished and paid for by the city, and the bonds will be sold subject to the approving opinion of Winton M. Hinkle, P.A., bond counsel, of Wichita. Kansas. The number, denomination of bonds, and the names of the initial registered owners to be initially printed on the bonds shall be submitted in writing by the successful bidder to the bond registrar not later than December 10, 1986. The purchaser will be furnished with a complete transcript of proceedings evidencing the authorization and issuance of the bonds and the usual closing proofs, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the bonds affecting their validity. Payment for the bonds shall be made in immediately available funds. Delivery of the bonds will be made to the successful bidder on or about December 26, 1986, at any bank in the state of Kansas or in the city of Kansas City, Missouri, at the expense of the city. Delivery elsewhere will be made at the expense of the purchaser.

Pending Legislation Pertaining to

Tax Exemption

At the date hereof, the Tax Reform Act of 1986, H.R. 3838, which presently is pending in the United States Congress, contains a number of requirements which generally are effective for all state and local obliga-tions issued after December 31, 1985, and if the bill becomes law in its present form would be applicable to the bonds. The city will covenant to comply with the requirements of the provisions of the bill to maintain the tax-exempt status of the bonds. The opinion of bond counsel will state that under existing laws and regulations, the interest on the bonds is exempt from federal income taxation and, assuming continued compliance by the city with such covenant, interest on the bonds would continue to be exempt from federal income taxation if the bill becomes law in its present form, except that for taxable years beginning after 1987, the interest on the bonds could be included in adjusted net gain for purposes of the minimum tax imposed on property and casualty insurers under Section 1023 of the bill.

The city will designate the bonds as "qualified tax-exempt obligations" as defined in Section 902(b)(3) of the Tax Reform Act of 1986 Conference Report to Accompany H.R. 3838, dated August 16,

1986.

Legal Opinion

Bids shall be conditioned upon the approving opinion of Winton M. Hinkle, P.A., bond counsel, Wichita, Kansas, a copy of which opinion will be printed on the reverse side of each bond, and a manually signed original will be furnished without expense to the purchaser of the bonds at the delivery thereof. The cost of this legal opinion and the expense of printing the bonds and legal opinion will be paid by the city. Said legal opinion will state in part that the bonds will constitute general obligations of the city, payable as to both principal and interest from the collection of special assessment taxes which have been levied against certain properties in the city, and the remainder of

said principal and interest, and any part of the specially assessed portion not so paid, shall be paid from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property within the territorial limits of the city; and that, under existing law, the interest on said bonds is exempt from present federal income taxation and the bonds are exempt from intangible personal property taxes levied by Kansas cities, counties and townships.

Purpose of Issue

The bonds are being issued in connection with the construction of various internal improvements in the city. The proceeds of the bonds, along with unexpended proceeds of temporary notes previously issued for the various improvements, special assessments which have been collected in cash, and other city funds, will be used to pay and redeem said temporary notes and to pay other final costs of the improvements.

**CUSIP Identification Numbers** 

CUSIP identification numbers will be printed on the bonds. All expenses in relation to printing of CUSIP numbers on said bonds and the expenses of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by the city.

**Assessed Valuation** 

Assessed valuation figures for the city of Garden City, Kansas, for the year 1985, are as follows:

**Bonded Indebtedness** 

The total outstanding bonded indebtedness of the city of Garden City, Kansas, at the date hereof, including this proposed issue of bonds, is \$7,636,000. The city also has \$456,435 of temporary notes outstanding, all of which will be paid and redeemed upon issuance of the proposed bonds.

Official Statement

Additional copies of this notice of bond sale, copies of the city's official statement relating to the bonds, or further information may be received from the office of the City Clerk, City Administrative Center, 301 N. 8th, Garden City, KS 67846, (316) 276-8263; or from the city's financial consultants, Stern Brothers & Co., One Main Place, Suite 810, Wichita, KS 67202, (316) 265-8622.

Dated October 8, 1986.

CITY OF GARDEN CITY, KANSAS By Tim Knoll City Clerk

# KANSAS REGISTER Secretary of State State Capitol Topeka, Kansas 66612-1594

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